

HOUSE OF
REPRESENTATIVES
STANDING COMMITTEE
ON EMPLOYMENT,
WORKPLACE RELATIONS
AND WORKFORCE
PARTICIPATION

INQUIRY INTO WORKFORCE CHALLENGES
IN THE AUSTRALIAN TOURISM SECTOR

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SCHOOL OF TOURISM AND HOSPITALITY
MANAGEMENT

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House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation

INQUIRY INTO WORKFORCE CHALLENGES IN THE AUSTRALIAN TOURISM SECTOR

TERMS OF REFERENCE

The Australian Government Minister for Employment and Workplace Relations, The Hon Kevin Andrews MP, has requested the Committee on Employment, Workplace Relations and Workforce Participation to seek feedback on workforce challenges facing the Australian tourism industries with particular reference to the following terms:

- Current and future employment trends in industry;
- Current and emerging skills shortages and appropriate recruitment, coordinated training and retention strategies;
- Labour shortages and strategies to meet seasonal fluctuations in workforce demands;
- Strategies to ensure employment in regional and remote areas; and
- Innovative workplace measures to support further employment opportunities and business growth in the tourism sector.

BACKGROUND

Established in 1989, the School of Tourism and Hospitality Management at Southern Cross University has a leading reputation in tourism and hospitality education and research. This is demonstrated through its achievements in winning the 1997, 1998, 1999, 2002 and 2003 State Tourism Awards and the 1999, 2003 and 2004 Australian Tourism Awards for Excellence in Industry Education.

With over 1000 students and campuses based in Lismore, Coffs Harbour, Tweed Gold Coast and industry partnerships with the Hotel School - Sydney, the Australian School of Hotel Management in Perth (ASTHM), and the Club Managers Association Australia (CMAA), we offer flexible and industry relevant study options. All courses offered through the School are designed in consultation with business and industry leaders through an industry based Advisory Board and aim to reflect the latest developments in industry

practices and technology. These programs are relevant, timely and responsive to industry needs. Pursued in a rigorous academic manner, they reflect societal and industry changes and provide practical experience with the solid backing of sound theoretical training. Our range of programs include the following innovative undergraduate and postgraduate degrees:

- Bachelor of Business in Tourism Management
- Bachelor of Business in Club and Gaming Management
- Bachelor of Business in International Tourism Management
- Bachelor of Business in Hotel and Resort Management
- Bachelor of Business in Hotel Management
- Bachelor of Sport Tourism Management
- Bachelor of Environmental Tourism Management
- Bachelor of Business in Convention and Event Management
- Master of Business Administration in Hotel and Tourism Management
- Master of Convention and Event Management
- Master of International Hotel and Tourism Management
- Master of Tourism and Hotel Management

Most programs feature a five month directed Internship Program (industry placement/work experience) which ensures that all students have relevant industry experience prior to graduation. Since 1989 the School's success in preparing students for careers in the tourism and hospitality industries has been reflected in its annual graduation employment figure of approximately 95%, well above the national average. The School has thus developed a strong industry network over a broad range of tourism and hospitality sectors.

Considering our long term and ongoing relationship with the tourism industries, we are hoping that our experiences as a tertiary tourism educator and the following comments derived from graduates and students on industry placement, can offer useful insights into the workforce challenges facing Australian tourism industries.

RESPONSE TO TERMS OF REFERENCE

CURRENT AND FUTURE EMPLOYMENT TRENDS IN INDUSTRY

Key challenges facing industry include: high staff turnover; long hours; introduction of Australian Workplace Agreements; development and support of industry and tertiary partnerships; the need for increased positive promotion of industry career paths; the need to further engage and educate industry on the concepts of portfolio careers and lifelong learning. Each of these issues will be further considered:

High Staff Turnover

The high turnover of staff within the tourism and hospitality industries continues to be an issue that impacts on quality of customer service and the early career experiences of tourism graduates. The inefficiencies created by such turnover often frustrate new graduates who are seeking further practical training from qualified role models. Whilst many new graduates can

take advantage of the high staff turnover to move up the career ladder, many become disillusioned at the relatively low rates of pay and irregular hours.

Long and Irregular Hours

New graduates in the hotel sector commonly report that the elation at receiving a promotion and subsequent conversion to salary is short-lived because it generally involves an increased workload and substantially decreased hourly rate. For example, newly promoted graduates on a salary level of approximately \$35 000 to \$38 000 are reporting regular working weeks of 50-60 hours, with some reporting working weeks of up to 90 hours.

Split shifts in the hospitality sector and the negative impact they can have on a 'normal' life are also often a contributing factor to graduates seeking employment in other industries or sectors.

Australian Workplace Agreements

The uncertainty and perceived further reductions of pay rates and conditions, particularly in the hospitality sector, are creating discontent among current students preparing to enter industry.

Industry and Tertiary Partnerships

As the competition in industry for high quality, qualified, motivated and focussed tourism graduates escalates, there is an increased focus on industry employers establishing linkages with university educators in order to gain early access to the most skilled graduates. This can take the form of informal agreements between industry based Human Resource Management staff and university based Internship Coordinators, or a more formalised Memorandum of Understanding. Based on industry feedback, this appears to be a cost effective recruitment method for industry and certainly benefits students and new graduates.

Need For Wider Promotion of Professional Industry Career Paths

Over the past decade, external influences such as SARS and fears of terrorism have negatively impacted on tourism industries. The subsequent negative media coverage has created a perception that tourism industries and therefore employment and career opportunities are in decline. Additionally there has been a decreased government and media focus on the promotion of the broad ranging career opportunities within the tourism sectors.

Consequently the awareness of the variety of attractive professional career options within tourism and hospitality, including event management, has decreased and is resulting in reduced tourism and hospitality tertiary enrolments. At Southern Cross University, this has resulted in a high rate of unfilled Internship and graduate roles, (many of which are paid and offer exceptional training and career advancement opportunities) both regionally and throughout Australia, simply because we do not have the numbers of students and graduates required to fill these vacancies. A strong recommendation is for a concerted government supported effort into promoting the broad ranging career opportunities available within our sectors.

Portfolio Careers and Lifelong Learning

This concept is emerging from the government and education sectors and being further encouraged by government initiatives such as *My Future*. Many tourism and hospitality organisations are yet to be engaged in this educational process so there are opportunities to encourage them to embrace the potential business and staff training benefits that such concepts can offer.

A means of doing this is through high quality distance education programs. This is something that has worked extremely well for the School of Tourism and Hospitality Management as approximately 34 percent of our students are enrolled externally and benefit from the opportunity to further their professional studies through flexible study options.

CURRENT AND EMERGING SKILLS SHORTAGES AND APPROPRIATE RECRUITMENT, COORDINATED TRAINING AND RETENTION STRATEGIES

Need For Smooth Transition from Study Visa to Working Visa for International Students

Many universities have been successful in attracting international students to study tourism based courses. However, all face significant hurdles when seeking to gain internship placements and relevant work experience for these students. Recurrent feedback from industry is that they do not want to invest several months of training into international students when there is little chance that these students will be permitted to stay with them longer term. As such it is imperative that government fast track initiatives that will allow international tourism students to convert their study visa to a one to two year working visa at the completion of their formal studies.

Hotel Based Graduate Management Programs

These are innovative and structured training programs appealing to tertiary educated students because they are perceived as a fast-track to supervisory levels. Such programs are promoted in partnership with tertiary hotel management educators and offer the immediate recognition and promise of promotion that graduates are seeking as a reward for their tertiary studies. The 18 month program offered by Rydges Hotels and Resorts and the newly revamped *i-grad* 12 month program offered by the Intercontinental Hotel Group are particularly accessible and have high levels of graduate satisfaction. The Hilton Elevator program has prestige and appeal but is often seen as inaccessible to graduates, particularly Australian students with only English language fluency.

Such programs need to be maintained, encouraged and rewarded in the hotel sector as an appropriate means of attracting, training and retaining staff.

STRATEGIES TO ENSURE EMPLOYMENT IN REGIONAL AND REMOTE AREAS

Southern Cross University established a new Office of Regional Engagement in July 2005 as a means of improving linkages with regional employers and internship students and skilled graduates. This strategy has been designed to enhance existing partnerships with organisations in regional areas, ensuring that students who wish to remain in the region have every opportunity to establish relevant work experience and a viable network of Industry contacts.

Unfortunately, despite repeated requests and approaches to the Department of Industry, Tourism and Resources, they seem unwilling to attend regional university Careers Days, despite guarantees of 300 plus students all studying tourism degrees, with many aspiring to careers in the government sector. Representation of major government departments at regional university Careers Days are crucial to removing the perception that regional and remote areas will always offer second best career and employment opportunities.